

Service Date: December 8, 2000

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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| In The Matter of the Application of THE |) | Docket No. D2000.11.190 |
| MONTANA POWER COMPANY for Authority |) | |
| to make Short-Term Borrowings in Calendar |) | Default Order No. 6308 |
| Years 2000 and 2001 |) | |

1. On November 16, 2000, The Montana Power Company ("MPC"), a corporation organized and existing under the laws of the State of Montana, filed with the Montana Public Service Commission ("Commission") its application ("Application") pursuant to Montana Code Annotated ("MCA") §§ 69-3-501 through 69-3-507 (1999), seeking an order authorizing MPC to issue, assume or guarantee short-term securities (in the form of a revolving credit agreement and term loan agreement, copies of which have been provided the Commission, promissory notes to banks, commercial paper drafts, bankers acceptance drafts or by such other means as may be deemed appropriate) in a principal amount, including short-term notes now outstanding, not to exceed \$150,000,000 outstanding at any one time during the period from January 1, 2001 through and including December 31, 2002.

2. The application is supported by exhibits and data in accordance with Commission practice and rules and regulations.

3. The application states that MPC is a public utility as defined in MCA § 69-3-101, in that it furnishes electric and natural gas service in the State of Montana; that MPC's principal executive office is at 40 East Broadway, Butte, Montana; and that MPC is duly qualified to do business in the states of Montana, Wyoming and Idaho. For detailed information with respect to the general character of MPC's business and the territory served by it, reference is made to the Application.

FINDINGS

1. MPC is a corporation organized and existing under and by virtue of the laws of the State of Montana, and is qualified to transact business in the State of Montana.

2. MPC is a public utility as defined in MCA § 69-3-101 and is engaged in furnishing electric and natural gas service in the State of Montana.

3. The Commission has jurisdiction over the subject matter of the application pursuant to MCA §§ 69-3-501 through 69-3-507.

4. The Application states that MPC intends to issue, assume or guarantee short-term securities (in the form of a revolving credit agreement and term loan agreement, promissory notes to banks, commercial paper drafts, bankers acceptance drafts or by such other means as may be deemed appropriate) in a principal amount, including short-term notes now outstanding, not to exceed \$150,000,000 outstanding at any one time during the period from January 1, 2001 through and including December 31, 2002. MPC plans to retire short-term debt by using internally generated funds or issuing long-term securities, the type, amount, timing and method of sale of which has not yet been fully determined.

5. Public notice of this Application was given by its inclusion on the Commission's agenda for November 27, 2000.

6. MPC has furnished complete financial data with its Application in accordance with the developed practice of the Commission. The Application sets forth a certified copy of the resolution of the Board of Directors of MPC pertaining hereto, which was adopted on October 26, 1993.

CONCLUSION OF LAW

The transaction proposed by the Application, as hereinafter authorized, will be for a lawful purpose and are consistent with the public interest and are necessary or appropriate for and consistent with the proper performance by MPC of service as a public utility.

ORDER

1. The Application of The Montana Power Company for authority to make short-term borrowings in an amount which, together with the short-term borrowings now outstanding, will not, in an aggregate principal amount, exceed \$150,000,000 outstanding at any one time during the period from January 1, 2001 through and including December 31, 2002, and in the form of a revolving credit agreement and term loan agreement, promissory notes to banks, commercial paper drafts, bankers acceptance drafts or by such other borrowing arrangements, which shall be on the most favorable terms The Montana Power Company can negotiate depending upon the varying borrowing conditions, is approved.

In accordance with MCA § 69-3-507, nothing in this Order nor any other act or deed done or performed in connection therewith, shall be constructed to obligate the State of Montana to pay or guarantee, in any manner whatsoever, any security authorized, issued, assumed or guaranteed under the provisions of MCA §§ 69-3-501 through 69-3-507.

2. The approval of this short-term indebtedness issuance shall not be construed as precedent to prejudice any future action of this Commission.

3. Issuance of this Order does not mean acceptance of MPC's exhibits or other material accompanying the Application for any purpose other than the issuance of this Order.

DONE IN WORK SESSION at Helena, Montana, this 4th day of December by a 5-0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

The original signed copy of this order is on file at the Commission's office.

DAVE FISHER, Chairman

NANCY MCCAFFREE, Vice Chair

BOB ANDERSON, Commissioner

GARY FELAND, Commissioner

BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision.
A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.

MONTANA PUBLIC SERVICE COMMISSION

CERTIFICATE OF SERVICE

* * * * *

I hereby certify that a copy of a DEFAULT ORDER, ORDER NO. 6308, in DOCKET NO. D2000.11.190, in the matter of MONTANA POWER COMPANY, dated December 4, 2000, has today been served on all parties listed on the Commission's most recent service list, updated 11/21/00, by mailing a copy thereof to each party by first class mail, postage prepaid.

Date: December 8, 2000

Rachel Thompson
For The Commission